



EUROPEAN COMMISSION

Internal Market and Services DG

Director-General

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Ms Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-9303
The United States of America

Subject: Proposed Rules on Termination of a Foreign Private Issuer's Registration of a Class of Securities under Section 12(g), and Duty to File Reports under Section 15(d), of the Securities Exchange Act of 1934 – File Number: S7-12-05

Dear Ms Morris,

This letter constitutes the response of the European Commission to the call for comments made by the U.S. Securities and Exchange Commission ('the SEC') in relation to its proposed rules on termination of a foreign private issuer's registration of a class of securities under Section 12(g) and duty to file reports under Section 15(d) of the Securities Exchange Act of 1934 ('the Exchange Act').

The observations in this letter reflect extensive consultations with governments and securities regulators of the 27 Member States of the European Union, associations representing European issuers, individual companies and other stakeholders. Accordingly, this response is supported by the European Securities Committee, representing the governments of all 27 Member States of the European Union and the Committee of European Securities Regulators (CESR), representing 29 securities regulators in the European Economic Area (EEA).

General comments

In March 2006 the European Commission services submitted comments on the draft rules on deregistration presented by the SEC to the public in December 2005. The European Commission services were encouraged by the SEC's commitment to improve the situation of European companies listed on the U.S. capital markets that were seeking to terminate their listings. However, the specific means of modernising the 40-year old deregistration rules and, in particular, of increasing the availability of deregistration for

